Quiz 15 – Chapter 12 – Public Policy  
  
1. Which of the following is not true about recent state budgets?   
a. Each budget is a record for spending.   
b. State costs tend to go up due to inflation.   
c. State costs have accelerated due to population increases.   
d. Demands for state services have decreased over time.   
  
2. During the 2014–2015 fiscal year, what percentage of estimated Texas revenues came from the federal government?   
a. 44   
b. 35.5   
c. 50   
d. 25   
  
3. In 1931, Texas adopted a tax on   
a. cigarettes.   
b. beer.   
c. distilled spirits.   
d. ammunition.   
  
4. Broad-based taxes collected on the retail price of most items are called   
a. general sales taxes.   
b. ad valorem taxes.   
c. user taxes.   
d. hidden taxes.   
  
5. All the following items have a hidden tax included in their prices except   
a. cigarettes.   
b. alcohol.   
c. gasoline.   
d. real estate.   
  
6. The general sales tax yielded what percentage of the state’s revenue?   
a. 6.25   
b. 26.2   
c. 4.5   
d. 3.4   
  
7. What taxes are the major source of revenue for virtually all local government, cities, counties, and special duties?   
a. Property   
b. Ad valorem   
c. Severance   
d. Selective sales   
  
8. Which of the following has occurred because of Texas’s state government-imposed mandates on local governments?   
a. Both state and local taxes have remained high.   
b. State taxes have remained high, but local taxes are lower than in many states.   
c. State taxes have remained low, but local taxes are higher than in many states.   
d. Texas does not impose unfunded mandates on local governments.   
  
9. Property taxes are the major source of revenue for virtually all of the following governments except   
a. national government.   
b. special districts.   
c. cities.   
d. counties.   
  
10. Ad valorem means   
a. “according to the location.”   
b. “according to the homestead.”   
c. “according to value.”   
d. “according to the square mileage.”   
  
11. Which of the following has the authority to determine the property tax rate on real property in a county?   
a. The county   
b. The commissioners’ courts   
c. Trustee boards   
d. The central appraisal district   
  
12. Which of the following taxes is not considered one of the most effective at raising revenue?   
a. Property   
b. General sales   
c. Narrowed based   
d. Income   
  
13. A tax imposed with the intent of exerting social or economic control by reducing taxes on approved behaviors or imposing higher taxes on undesirable activities is   
a. a broad-based tax.   
b. regulatory tax.   
c. tax rate.   
d. tax base.   
  
14. An excise or “sin” tax is levied on the sale, manufacture, or use of all of the following except   
a. snacks.   
b. cigarettes.   
c. liquor.   
d. gasoline.   
  
15. Which of the following does not fall under the category of the benefits-received principle?   
a. The 20-cent-per-gallon tax on gasoline   
b. License plate fees   
c. Tuition at state universities   
d. Local school taxes   
  
16. Tax rates that place more of a burden on low- and middle-income taxpayers than on wealthier ones are called   
a. marginal propensity tax rates.   
b. progressive tax rates.   
c. regressive tax rates.   
d. nonreformist taxes.   
  
17. Which of the following is an example of tax shifting?   
a. As taxes on businesses rise, businesses raise their prices   
b. As property taxes increase, landlords raise rents   
c. Businesses making their taxes consumer taxes   
d. All of the above   
  
18. \_\_\_\_\_\_\_\_\_\_ advocate that taxes on higher-income individuals should be kept low to allow them to save and invest to stimulate the economy.   
a. Proponents of progressive taxes   
b. Supply-siders   
c. Proponents of ability to pay   
d. Consumer-economic-siders   
  
19. General obligation bonds cannot be used for which of the following?   
a. Higher education bonds financed by tuition revenue   
b. Prison construction   
c. Real estate programs for veterans   
d. Water development   
  
20. State bonds that are repaid with the revenues from the service they finance are called   
a. proprietary bonds.   
b. general obligation bonds.   
c. revenue bonds.   
d. none of the above; Texas can never borrow money. 